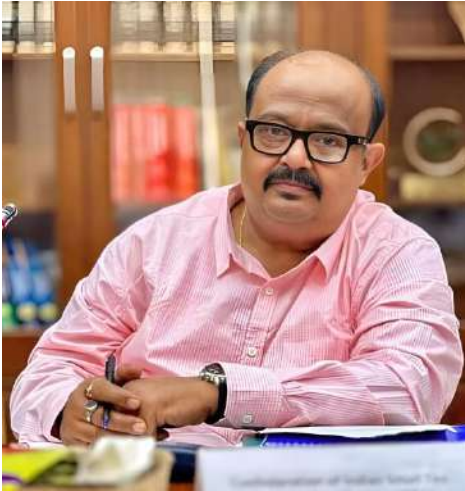


FACE-TO-FACE



“Small tea growers in India face a number of challenges and they need technological, organizational, financial and marketing support to sustain and produce quality tea. To be remunerative, they also need to diversify to other crops beyond solely depending on cultivating, plucking, and selling green leaves.”

*Bijoy Gopal Chakaraborty,
President,
Confederation of Indian Small Tea Growers' Associations
(CISTA)*

Empowering India's Small-Scale Tea Growers

Swarup Upadhyaya recently interviewed Bijoy Gopal Chakaraborty to explore the current challenges faced by small tea growers (STGs) in India and their prospects to understand how CISTA is influencing policies to support the STG sector. Excerpts from this interview.

As I understand you are a first-generation small tea grower. I am curious to know how you got involved with the tea sector after your graduation in science and after pursuing law. Tell us how it all started?

Actually, I am a graduate in life sciences and after that I studied law. But it was just an extra degree as I was not interested in going to the court and doing some law related work there. Then I got a post-graduate diploma in tea management from North Bengal University. As I am an entrepreneur by passion, I started my tea venture in 1993-94. Yes, I am a first-generation small tea grower. My father was an employee at the office of the District Magistrate. My father came to Jalpaiguri in West Bengal at the time of Partition from the then East Pakistan, now Bangladesh. He had an interest in agricultural practices, so he purchased the land, which was earlier used to cultivate vegetables, paddy, and other horticultural crops.

Initially I didn't have any interest in agriculture. But I had been following the small tea garden revolution and I started a tea nursery. The venture went into a loss and I started planting the saplings on our own land. We have a family-owned 22 acres of land where I started my plantation in Jalpaiguri. This region has a tea culture and a 150-year-old legacy tea popularly known as 'Dooars Tea'.

Two years back, I also started a home stay in the tea garden. People passionate about tea gardens can stay and enjoy the bungalow like a tea planter at an affordable price. I also have a personal dream to produce handmade green or orthodox tea in the near future.

How did CISTA start?

As you may be aware, India has around 2,40,00 small tea growers, cultivating 200,000 hectares and producing about 691 million kilograms of tea. The small tea grower movement, in fact, began in South India in the 1960s. Before CISTA, there was no organization at the national level to influence central government decisions related to the tea sector. Moreover, nobody was willing to listen to the concerns of small tea growers.



[CISTA was established on 14 December 2007, at Kuttikkanam Idukki, Kerala with four of the state's small tea grower associations.](#) Its logo was inaugurated by Jairam Ramesh, the then Minister of Commerce and Industries. Over the years, with the active participation of the confederation along with state level associations, everyone in the tea fraternity is ready to listen to our concerns.

How did you join CISTA?

I was one of the founding members. I was elected as the Vice President at the first convention. As a president I took the baton in 2011 at Gudallur and currently I am on my third consecutive term as the President of CISTA. Now we have 11 state associations and is the true national body that represents more than 2.5 lakh small tea growers of India.

What challenges do small tea growers currently face?

Tea growers face a lot of problems. Fluctuation in price of the green leaf is one of the most important challenges faced by small tea growers. Our constant demand is for a fair and remunerative support price for tea, but to date this demand has not been accepted. Though the Tea Board has initiated a price sharing formula and announced a minimum benchmark price, at the field level this is simply not working.



Workers plucking tea leaves

Another major challenge is the lack of quality orientation. Small tea growers are dependent on the Bought Leaf Factories (BLFs) for selling their leaves immediately after plucking. The BLFs that produce 54% of the total tea production are always quantity oriented. Now if one drinks bad quality tea every day, a day will come when people just won't drink tea. These days everyone blames the small tea growers for poor quality tea which is simply not true. BLFs need to be quality oriented as well. Some BLFs are making very good teas, sometimes even better than the big gardens. So STGs can supply good quality teas and can fetch good prices. Otherwise, if we keep on marketing bad quality teas the market in the future won't prosper and may even shrink.

Other challenges include climate change as tea is very vulnerable to climate change, especially rises in temperature. While the government has several welfare schemes for farmers, the tea growers are not considered as farmers, and despite our continuous demand they are not receiving any benefits that are available for farmers.

You mentioned the price monitoring committee for tea, but is this really helping small tea growers?

One cannot do business by putting bans and restrictions or by forcing something. From top to bottom the demand and supply must work. We are now in an oversupply situation. However, this year is an exception as the production is lower due to climate change. For controlling this oversupply situation, we have to take two steps. Firstly, we need to go for a massive generic campaign in order to boost the domestic consumption of tea. Secondly, we need to focus on quality production of tea. This quality focus will lead to less quantity certainly, but the market will keep growing.

What measures are you proposing for rejuvenation of the gardens of small tea growers?

With regard to rejuvenation, we are demanding a rejuvenation or replanting subsidy from the Tea Board. We hope the Board will consider this demand seriously. Previously, subsidy was there for large estates but currently it is not there. As rejuvenation of old tea bushes is vital to enhance productivity, I am hopeful that everyone will be supportive of this demand and we will receive subsidies for this.

How is CISTA responding to the challenges faced by small tea growers?

At the grassroots level we are trying our level best for a 'safe tea campaign'. Compliance is a big issue in our industry. The legislative terms are strict and we need to comply and there is no other option. So, the plan is to bring awareness, undertake monitoring, and organize workshops to educate our small tea grower so that they will avoid using banned chemicals and will only use the 56 chemicals that are being approved by the Tea Board as part of the 'Plant Protection Code'. We advise them to avoid spraying chemicals before plucking the leaves, and to spray the chemicals only after they finish plucking the leaves.

We are trying to reach tea growers at the grassroots level and we have printed study materials for them. I am happy to inform you that the results are very encouraging in Assam and in other states as well. Now our main objective as an organization is to create a brand of small tea growers as 'the safest tea brand'. If we can do this, we can increase the price of tea. We are hopeful and confident enough that within two years the small tea growers will be able to produce 100% safe tea for both the Indian and global tea consumers.



Spraying of pesticides in Tea

How are the government institutions supporting the small tea growers? For instance, in Assam, there is a Directorate of Tea apart from the Tea Board of India which functions at the national level.

Earlier the Directorate of Tea was collecting access on tea leaves which has now been dropped. Even though a separate Directorate (Small Tea Growers Development Directorate) to cater to the development needs of small tea growers has been formed under the Tea Board – headquartered at Dibrugarh – it hasn't been fully operational. Establishing this separate directorate was our long standing demand. There are similar agencies to support small tea growers in Sri Lanka (Tea Small Holdings Development Authority) and Kenya (Tea Development Agency), and based on these examples the Ministry of Commerce set this up but due to many reasons it is yet not functional, apparently due to lack of funds.

It's good that the Tea Board of India is now concerned about the small tea growers. There are schemes for growers, such as weather-based crop insurance, etc. The Tea Development and promotion Scheme 2021-2026 will take off soon. Hope new development schemes will be totally STG friendly.

Agricultural universities have been helping us with technical guidance. The Government of Assam has allotted the fund collected from earlier access to the Tea Research Association, and they are also providing technical guidance to small tea growers. The Research Directorate of the Tea Board has been entrusted with conducting, coordinating and evaluating tea research nationally through three tea research institutes, namely Darjeeling Tea Research and Development Centre (DTR&DC), Kurseong, Darjeeling, West Bengal; Tea Research Association (TRA), Jorhat, Assam; and United Planters Association of Southern India - Tea Research Foundation (UPASI-TRF).

Both Assam and West Bengal together have almost 70% of the small tea growers in India. How is CISTA engaging with the state governments in these two states to ensure support to small tea growers in these states?

In Assam, tea cultivation is the main industry. There is nothing except tea in North Bengal too, and the state governments have to proactively support both the tea industry and the tea growers. In other states like Tamil Nadu the government has taken so many initiatives for STGs mainly in the Nilgiri region. In the Tamil Nadu Budget 2024-25, the state government has allocated ₹ 9 crore as subsidy for 27,000 small tea growers who supply the government-run tea factories. In Kerala, growers mainly in the districts of Idukki and Wayanad, are being helped by their state government proactively.

In Assam, recently The Hon'ble Chief Minister conducted a meeting with the small tea growers, BLFs, and other stakeholders. He boldly supported the small tea growers, which was a great thing for us. In West Bengal too we had similar meetings in April. I am hopeful that all over the country the scenario is slowly changing, and the governments are coming out in support of the tea growers as tea cultivation is creating huge employment in the rural areas.



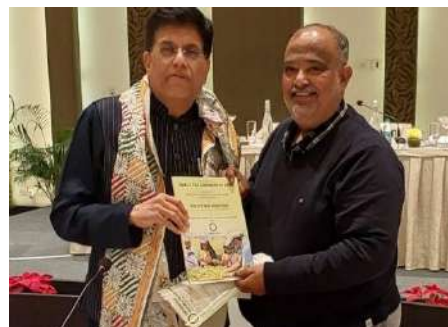
District Small Tea Grower Association's meeting at Jalpaiguri

The government can also announce a fair and remunerative price as was done for sugarcane. For STGs the only source of income is green leaf. Even if we get crop insurance, subsidy, credit cards and such these are only like shock absorbers. The most important thing is stable price. Nobody must deprive the STGs by paying a lower price that is below the cost of production.

How is CISTA – as a pressure group – influencing the policies of the Central Government?

Solidaridad, together with the Indian Tea Association, has an ongoing project in the states of West Bengal, Assam and Tamil Nadu. With the help of this project, we developed a Status Paper. We submitted it to the Ministry of Commerce and we are now planning to submit status papers to the state governments as well.

I am happy to share with you that the government has taken some initiatives based on the status paper as they are now evaluating the price sharing formula. The Tea Board had hired a consulting firm – BDO International – and they have already



Submission of Status Paper on the Small Tea Grower Sector to the Hon'ble Minister for Commerce and Industry, Shri Piyush Goyal

submitted their reports which will now be discussed. I hope with the help of all these consultations the stakeholders will be able to formulate good and effective suggestions and these would then be submitted to the Ministry of Commerce for ensuring fair and remunerative prices for the green leaves, which has been one of our important demands in the status paper.

The meeting to review the submitted report by BDO India LLP was organized on 11 July, 2024 at the Tea Board of India HQ, Kolkata. We have offered our views on the report. The firm has reported the cost of production for each area of Assam and West Bengal but how can a consultancy firm get the cost of production right. We boldly protest the misinformation on cost of production being provided to the ministry. We have submitted a memorandum to the Chairman of the Tea Board regarding this, and we have also requested them to engage the ICWAI to determine the cost of production of green leaves in the states of Assam and West Bengal.

We also support the report submitted by the firm on the following points: Doing away with minimum benchmark price; elimination of district green leaf price monitoring committee for price determination; declaration of factory wise prices based on specified formulas; liaisons with GST authorities to obtain factory average prices; regulation of leaf agents; revamping of 'Chai Sahayog' application; and amendment of Section 30 in the Tea Board Act to empower the central government to ensure reasonable prices for green leaves purchased from small tea growers.

Another important demand that the Board has taken up is the weather-based crop insurance cover for small tea growers. Some of the other demands in the status papers include provision of Kisan Credit Cards and support from PM Krishi Sinchayi Yojana for tea growers. We have also demanded subsidy on construction of mini factories by small tea growers. I am hopeful these demands will be taken care of by the Tea Board.

Recently the North East Development Financing Institution (NEDFI) has announced schemes to help tea entrepreneurs. Do you think such measures will be of help to small tea growers?

A few days back I too read about the NEDFI's support to tea entrepreneurs, who are producing special exotic teas. But I don't know the full details. I know a few of the STGs producing exotic teas, and they are doing it all on their own with no financial help from any government sources. Historically, financial institutions haven't been very supportive of the STGs. It's very unfortunate that till date our growers have not been allowed to avail the Kisan Credit Cards.

Are the proposals to support Self Help Groups (SHGs) and Farmer Producer Companies (FPCs) helpful for STGs?

Yes, SHGs and FPOs are favored by the Tea Board as well. As it is impossible to directly reach all the 2.5 lakh STGs, it is better to help them by forming SHGs and FPOs. It's always a very fruitful initiative for the STGs. We welcome these initiatives. Already five SHG factories exist in West Bengal. While three of them are really doing well, the other two are struggling. SHGs and FPOs are definitely good approaches, though not very new, as the cluster approach has been implemented since the 12th Five Year Plan (2012). But as for the SHGs without their own factories, the BLFs are not friendly to them. They are friendly to the green leaf agents, so in this case the BLFs need to be supportive of the growers as well.

Solidarid, together with the Indian Tea Association, have started a programme called TRINITEA which aims at sustainably transforming the small tea holdings of India? How do you view this initiative?

Since the last three years, TRINITEA has been working very well at the grassroots level. They are basically equipping farmers with technology and I must say they are making the growers 'Smart Farmers'. They provide training and there is a mobile application for weather forecasting. I have witnessed many examples in West Bengal and Assam. But it's not possible for one organization to penetrate every STG in India so they are doing it region wise. The Tea Board should also come up with such efforts.



President, CISTA, attending the FAO Intergovernmental Group on Tea

Do you think mechanisms such as carbon farming may support the STGs?

Many companies connected to carbon farming have discussed with us the scope of generating carbon credits from tea cultivation. Hopefully this will help in enhancing the incomes of STGs in the future.

We often hear that the new generation is not interested in going in for tea cultivation. Is this true?

Yes, it's a reality now due to the numerous problems that the STGs are facing. Instability in prices, rise in cost of production including inputs such as fertilisers, climate change, declining productivity of old tea bushes etc., are some of the factors that are pushing youth to move out of tea cultivation. Apart from these, the price the STGs receive for their tea leaves has remained almost the same for the last 15 to 20 years. In other words, for the whole tea industry in general, and for STGs in particular, tea cultivation is only providing low returns on investments. So it is not surprising that the younger generations from STGs are thinking of leaving the tea sector and looking for other opportunities elsewhere.

The government in Assam is laying emphasis on the National Mission on Edible Oils-Oil Palm (NMEO-OP) which will help STGs to shift to growing oil palm. From what I have witnessed in Indonesia, 1 hectare of oil palm can give more than 5 lakh rupees. The Assam Government has signed an agreement with companies like Godrej Agrovet and 3F Oil Palm for processing units of oil palm. Soon, as far as my understanding goes, STGs might shift to growing other crops such as oil palm, agar wood, palm oil or other horticultural crops.

So finally, what will be the future of STGs and the tea industry?

It's very clear that the STGs will be an important component of the Indian tea sector in the coming days, and their existence is important for the tea industry now as well as in the future. However, we need to upgrade the tea value chain and should enhance its ability to deal with climate change. There is also a need to address the rising production costs and the monopoly of big packers who control the tea value chain in the country. Some of the big companies who procure tea from the BLFs compromise on quality and this is pushing sensible customers away from tea. We also need to diversify the production of exotic teas and diversify the holdings to grow other crops such as betelnuts, bay leaf, black pepper, sweet oranges, etc., along with tea. This will help provide extra income.

Many small tea growers in Assam are making exotic varieties of teas with great quality, but due to challenges such as poor marketing network, and so on they are not able to penetrate into the market where they can get better returns. STGs are not big brands and they are mostly self-employed rural growers who need a different marketing strategy. The conventional marketing strategy won't work for us, so as an organization we are trying to brand the teas.

The tea industry has good prospects but we need to keep producing teas of superior quality. We need to keep a vigilant eye on shifting demands of the younger generation who constitute 45% of the total Indian population. The young age group of 18-22 is very much involved in cafe culture; they are more interested in soft drinks. If we go for a generic campaign which would highlight the benefits of tea as a wellness drink, we can capture a larger market, that will boost our per capita domestic consumption.



Swarup Upadhyaya grew up in a small tea grower's family in Tinsukia, Assam. He completed his BSc (Agriculture) in 2023 from the Assam Agricultural University with an elective in Tea Husbandry and Technology. Currently, he is pursuing an MBA (Agribusiness) from the ICAR-Indian Veterinary Research Institute (IVRI), Bareilly, Uttar Pradesh, India. (swarup.mba.ivri@gmail.com)

**AESA Secretariat: Centre for Research on Innovation and Science Policy (CRISP),
Road No 10, Banjara Hills, Hyderabad 500034, India
www.aesanetwork.org Email: aesanetwork@gmail.com**